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AMENDMENT NO. 2 TO EXCLUSIVE NEGOTIATION AGREEMENT

163 North Main Street

THIS DOCUMENT IS AMENDMENT NO. 2 TO THE EXCLUSIVE NEGOTIATION AGREEMENT, which was approved by the Milpitas Redevelopment Agency and City Council of the City of Milpitas May 18, 2004, by and between the MILPITAS REDEVELOPMENT AGENCY, a public body, corporate and politic, and the CITY OF MILPITAS, a municipal corporation, hereinafter collectively referred to as ("City"), and MID-PENINSULA HOUSING COALITION, a California nonprofit public benefit corporation hereinafter referred to as ("Developers"). The effective date of this amendment is February 1, 2005.

RECITALS

WHEREAS, the City owns a certain parcel of land located at 163 North Main Street, APN # 022-08-041 (the "Site"); and

WHEREAS, the City and Agency desire development of the Site as high density affordable housing for seniors (the "Project") and have partial funding available for this purpose; and

WHEREAS, in September 2002, Developer submitted an unsolicited proposal to the City for the construction of senior housing on the Site and has subsequently provided information on the approach and possibility for development of the Site; and

WHEREAS, the Developer has over 30 years of experience in the development, financing and construction of senior and family affordable housing projects; and

WHEREAS, the City, Agency and the Developer desire to enter into a period of exclusive negotiations for the development of affordable senior housing on the Site, the purpose of which is to allow time to negotiate the terms of a Sale/Lease Disposition and Development Agreement ("DDA") for the Site.

NOW, THEREFORE, the parties hereby amend the AGREEMENT as follows:

1. The term for the exclusive right of the Developer to negotiate the purchase/lease of the Site in accordance with the terms-and-conditions provided in the Agreement is hereby extended to May 31, 2005. The term may be extended an additional 3 months after May 31, 2005 at the discretion of the Agency's Executive Director.
2. All other terms and conditions of the Agreement shall remain in full force and effect.

By execution of this amendment to the Agreement, the City and Agency are not committing themselves to: (a) convey the Site to Developers or (b) undertake any other acts or activities requiring the subsequent independent exercise of discretion by the City

or Agency. Execution of this amendment to the Agreement by the City and Agency is merely an agreement to extend the period of exclusive negotiations according to the terms hereof, reserving final discretion on any subsequent actions to the City Council and Agency Board.

REDEVELOPMENT AGENCY OF
THE CITY OF MILPITAS

BY: _____
Executive Director

ATTEST: _____
Agency Clerk

CITY OF MILPITAS

BY: _____
City Manager

ATTEST: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

MID-PENINSULA HOUSING COALITION
658 Bair Island Road, Suite 300
Redwood City, California 94063

BY: _____

**RECEIVED**

JAN 25 2005

HNP DIVISION

January 24, 2004

Felix J. Reliford
Principal Housing Planner
City of Milpitas
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Milpitas, CA 95035-5411

Mid-Peninsula Housing Coalition

658 Bair Island Road, Suite 300
Redwood City, California 94063
Tel: [650] 299-8000
Fax: [650] 299-8010
email: midpen@midpen-housing.org

Re: Request to extend ENA for affordable senior housing through May 31, 2005

Dear Felix:

Mid-Peninsula Housing Coalition (MPHC) respectfully requests a second extension of the Exclusive Negotiation Agreement (ENA), of May 2004, which provides for a period of negotiation between the City and MPHC for the purchase/sale of the property at 163 North Main Street (APN #022-08-041). The current ENA is scheduled to expire February 28, 2004. We request an extension of the ENA until May 31, 2005, in order to allow sufficient time for negotiation of a Sale/Lease Disposition and Development Agreement (DDA) for the site.

MPHC has actively pursued the negotiation of a DDA to this point, but additional time is needed to establish a lot line separation between the land to be sold to the County of Santa Clara and that to MPHC, and to set the parameters for the construction and use of a driveway that will be shared between MPHC and the County.

We have appreciated the opportunity to work with the City and look forward to continuing our negotiations to develop much-needed affordable senior housing at 163 North Main Street.

Sincerely,

Fran Wagstaff
President

